

1-319A005

ITEL

BY FEDERAL EXPRESS

IteI Rail Corporation

550 California Street
San Francisco, CA 94104
(415) 984-4200

November 13, 1991

Hon. Sidney L. Strickland, Jr., Esq.
Secretary
Interstate Commerce Commission
Washington, DC 20423

Re: 1) Amendment No. 1 to Supplement No. 3
2) Release No. 4

Dear Mr. Strickland:

On behalf of IteI Rail Corporation, the above instruments, in five (5) counterparts each, are hereby submitted for filing and recording pursuant to 49 U.S.C. Section 11303(a), along with the \$32 recordation fee.

Please record both the Amendment and Release under the Security Agreement dated December 21, 1989, between IteI Rail Corporation and Chemical Bank, as Agent, which was filed with the ICC on December 26, 1989, under Recordation No. 16667.

The parties to the aforementioned instruments are listed below:

IteI Rail Corporation (Debtor)
550 California Street
San Francisco, California 94104

Chemical Bank (Secured Party)
277 Park Avenue, 6th Floor
New York, New York 10028

The Amendment amends Schedules A-3 and B-3 to Supplement No. 3 as described therein. Release No. 4 releases any security interest or lien the Secured Party has or might have in the property listed on Schedule 1 attached thereto.

RECORDATION NO. 16667 FILED 1425

NOV 15 1991 -9 30 AM

INTERSTATE COMMERCE COMMISSION

RECORDATION NO. 16667 FILED 1425

NOV 15 1991 -9 30 AM

INTERSTATE COMMERCE COMMISSION

NOV 15 9 30 AM '91
FOR OPERATING UNIT

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Please return to the undersigned the stamped counterparts not required for filing purposes, together with the ICC fee receipt and acknowledgment letter.

Very truly yours,

Patricia Schumacker

Patricia Schumacker
Legal Assistant

Enclosures

**RELEASE NO. 4, DATED AS OF SEPTEMBER 27, 1991,
TO THE SECURITY AGREEMENT BETWEEN
ITEL RAIL CORPORATION AND CHEMICAL BANK, AS AGENT**

RECORDATION NO. 16667-J
NOV 15 1991 -9 25 AM
INTERSTATE COMMERCE COMMISSION

WHEREAS, Itel Rail Corporation (the "Debtor"), Chemical Bank and certain lenders (collectively, the "Lenders") and Chemical Bank, as agent for the Lenders (the "Agent"), are parties to a Credit Agreement dated as of December 21, 1989, as amended (as amended, the "Credit Agreement"); and

WHEREAS, to secure the payment and performance of Debtor's obligations under the Credit Agreement, Debtor and Agent have entered into a Security Agreement, as amended (as amended, the "Security Agreement"), dated as of December 21, 1989, which was filed with the Interstate Commerce Commission pursuant to 49 U.S.C. §11303(a) on December 26, 1989, and given Recordation No. 16667; and

WHEREAS, pursuant to the Security Agreement, Debtor has granted to Agent a security interest in certain Collateral (as defined in the Credit Agreement), including certain railcars and other property that may be acquired by Debtor after the date of the Security Agreement; and

WHEREAS, Sections 9.02 and 9.04 of the Credit Agreement permit Debtor, under certain circumstances, to incur Indebtedness (as defined in the Credit Agreement) and to grant liens in certain property of the Debtor to secure such Indebtedness and, pursuant to Sections 9.02 and 9.04 of the Credit Agreement and Section 2 of the Security Agreement, Agent has agreed, in such event, to release its security interest in such property; and

WHEREAS, pursuant to Release No. 1 dated as of January 24, 1991, which was filed with the Interstate Commerce Commission on January 30, 1991, and given Recordation No. 16667-D, and pursuant to Release No. 2, dated as of May 15, 1991, which was filed with the Interstate Commerce Commission on May 29, 1991, and given Recordation No. 16667-F,

and pursuant to Release No. 3, dated as of June 3, 1991, which was filed with the Interstate Commerce Commission on June 13, 1991, and given Recordation No. 16667-G, Agent has released its security interest in certain railcars and other Collateral in connection with the financing by Debtor of the same; and

WHEREAS, Debtor intends to enter into a loan agreement, security agreement and related agreements with, and to borrow money from, The CIT Group/Equipment Financing, Inc., to finance the acquisition of the railcars identified on Schedule 1 attached hereto (the "Equipment"); and

WHEREAS, Debtor and Agent wish for Agent, pursuant to the Credit Agreement and the Security Agreement, to release its security interest in and to the Equipment, any and all rents and income arising therefrom, and any and all any leases or subleases or contracts or contract rights relating thereto and any and all additions, substitutions, accessions and proceeds thereto or thereof and proceeds of proceeds.

NOW, THEREFORE, pursuant to the premises and the covenants and promises contained in the Credit Agreement and in the Security Agreement, the parties agree as follows:

1. All capitalized terms used herein shall have the meanings assigned to them in the Security Agreement, unless otherwise stated.
2. To induce Agent to execute this Release No. 4, Debtor hereby represents and warrants to the Agent as follows: (a) Debtor is entitled to this Release No. 4 (without consent of the Requisite Lenders) pursuant to Sections 9.02(d), 9.02(m), 9.04(g), the last paragraph of Section 9.04, and Section 13.07 of the Credit Agreement and Section 2 of the Security Agreement; and (b) Immediately prior to and upon giving effect to this Release No. 4 (i) no Default or Event of Default shall exist under the Credit Agreement and (ii)

no "event of default" shall exist under and as defined in the Security Agreement.

3. Agent hereby fully, completely and irrevocably releases any security interest or lien it has or might have in the property listed on Schedule 1 attached hereto. The Equipment listed on Schedule 1 hereto shall be deemed to be added to Schedule 4 of the Security Agreement.
4. Except as expressly modified hereby, the Security Agreement remains in full force and effect.

CHEMICAL BANK, AS AGENT

By



Title Managing Director

Date

10/8/91

ITEL RAIL CORPORATION

By



Title Vice President and Treasurer

Date

9/27/91

STATE OF NEW YORK)

COUNTY OF NEW YORK)

) ss.
)

On this 8 day of OCTOBER, 1991, before me personally appeared C. C. WARDELL, personally known to me to be the person who executed the within instrument as MANAGING DIRECTOR of Chemical Bank, and acknowledged to me that the corporation executed it.

Frances Passik
Notary Public

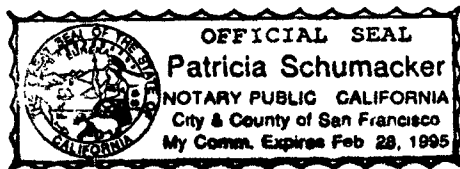
FRANCES PASSIK
Notary Public, State of New York
No. 24-01PA4783321
Qualified in Kings County
Certificate filed in New York County
Commission Expires 9/30/93

STATE OF CALIFORNIA)

COUNTY OF SAN FRANCISCO)

) ss.
)

On this 27th day of September, 1991, before me personally appeared Robert C. Kiehnle, personally known to me to be the person who executed the within instrument as Vice President and Treasurer of ITEL Rail Corporation, and acknowledged to me that the corporation executed it.



patricia schumacker
Notary Public

SCHEDULE 1

- (A) the railcars listed on Schedule A attached hereto, together with all accessories, parts, appurtenances, repairs, replacements, substitutions, attachments, modifications, renewals, additions, improvements, upgrades and accessions and accumulations thereto (the "Equipment"); and
- (B) all right, title and interest of the Debtor in any lease, sublease, bailment or other contract or contract right, and all claims, rights, powers, privileges and remedies thereunder, whether presently existing or hereafter arising, as and to the extent such relate to the Equipment (as and to the extent the foregoing relate to the Equipment, collectively, the "Leases"); and
- (C) any and all proceeds of the Equipment or the Leases, including without limitation any and all proceeds of insurance, indemnity, warranty or guaranty payable with respect to the Equipment; any and all payments (in any form whatsoever) made or due and payable in connection with any requisition, confiscation, condemnation, seizure or forfeiture of all or any of the Equipment by any governmental body, authority, bureau or agency; and all payments, rents, issues, profits, revenues and other monies due and to become due under, and all claims for damages arising out of the breach of, any Lease, as and to the extent such Lease relates to the Equipment; and
- (D) any and all property and interests in property, now owned or hereafter acquired, all accessions and additions thereto, substitutions therefor, and replacements and products thereof, cash, and all other cash and non-cash proceeds, solely to the extent the foregoing are derived from the Equipment; and
- (E) any and all payments, rents, income, profits, revenues and other monies derived from or arising out of the Equipment.

SCHEDULE A

IDENTIFICATION OF EQUIPMENT

<u>Reporting Mark</u>	<u>Description</u>
ITLX 29000-29019	twenty (20) 5,125 cubic foot pneumatic discharge covered hopper cars; built by Trinity
ITLX 825038-825054	seventeen (17) 25,700 gallon non-coiled/insulated tank cars; built by Trinity
ITLX 225022-225060	thirty-nine (39) 23,500 gallon exterior coiled/insulated tank cars; built by Union Tank Car
ITLX 220841-220863	twenty-three (23) 20,400 gallon exterior coiled/insulated tank cars; built by Union Tank Car

Total: 99 Railcars